



DEPARTMENT OF THE TREASURY

INTERNAL REVENUE SERVICE

WASHINGTON, DC 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Date: October 30, 2002

Form Number: 990

Tax Period Ended:

Person to Contact:

Contact Telephone Number:

Employee Identification Number:

Contact Address:

Internal Revenue Service

EIN:

CERTIFIED MAIL

Deadline to Petition Tax Court:

January 27, 2003

Dear Sir:

This is a final adverse determination as to your exempt status under section 501(c)(3) of the Internal Revenue Code.

hereby referred to as _____ fails to meet the requirements for exemption under IRC 501(c)(3). IRC 501(c)(3) exempts from taxation organizations which are organized and operated exclusively for charitable or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation and which does not participate in, or intervene in, any political campaign on behalf of (or in opposition to) a candidate for public office.

It has been determined that the primary activity of _____ is to provide purchasing and merchandising services for its members and approximately 250 unrelated non-profits and governmental units. These unrelated organizations do not have any voting rights or pay dues. Rather, they receive discounts on purchases, and _____ receives commissions. During the year under examination, over 96% of _____ gross receipts were realized from revenue from this purchasing and merchandising activity.

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This is contrary to ; intended activity of enhancing education in the area by such activities as operating an electronic library system, organizing a "College Day" student placement fair, and compiling and publishing educational curriculum and placement data.

Based upon the above, we are revoking your organization's exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code effective

Contributions to your organization are no longer deductible under section 170 of the Internal Revenue Code.

You are required to file Federal income tax returns on Form 1120, US Corporation Federal Income Tax Return. These returns should be filed with the appropriate Internal Revenue Service Center on or after

The processing of corporate income tax returns and assessment of any taxes due will not be delayed because a petition for declaratory judgment has been filed under Internal Revenue Code section 7428.

If you decide to contest this determination in court, you must initiate a suit for declaratory judgment in the United States Tax Court, the United States Claims Court, or the district court of the United States for the District of Columbia before the (ninety-first) 91st day after the date that this determination was mailed to you. Contact the clerk of the appropriate court for rules for initiating suits for declaratory judgment. You can get a copy of the rules for filing a petition in the United States Tax Court and a petition form by writing to the address below:

You also have the right to contact the office of the Taxpayer Advocate. However, you should first contact the person whose name and telephone number are shown above since this person can access your tax information and help you obtain answers. You can call 877-777-4778 and ask for Taxpayer Advocate Assistance or you can contact the Taxpayer Advocate from the site where this determination was made. The enclosed Notice 1214, *Helpful Contacts for Your "Notice of Deficiency"* contains the name and address of the office near you.

Taxpayer Advocate assistance, cannot be used as a substitute for established Internal Revenue Service procedures, formal appeals processes, etc. The Taxpayer Advocate is not able to reverse legally or technically correct tax determinations, nor extend the time fixed by law that

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you have to file a petition in the United States Tax court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling.

We will notify the appropriate State officials of this action, as required by section 6104(c) of the Internal Revenue Code.

This letter should be kept within your permanent records.

If you have any questions, please call or write the contact person whose name and telephone number are shown above. If you write, please include your telephone number, the best time to call you if we need more information, and a copy of this letter to help us identify your account.

Sincerely,

A handwritten signature in black ink, appearing to read "R. C. Johnson". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

R. C. Johnson
Director, EO Examinations

Enclosures:

Copy of this Letter
Notice 1214
Publication 892